

**THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

19-CONS-3169-CEXC

In the matter of the Application of [Operator) Docket No. 18-CONS- -CEXC
Name] for an exception to the 10-year time)
limitation of K.A.R. 82-3-111 for its)

Barnes Estate 26-2 well located in the SE/4) CONSERVATION DIVISION
of Section 26, Township 31 South, Range 35
West, Stevens County, Kansas.)

License No.: #35068

APPLICATION

Comes Now P.O.& G. Operating, LLC ("Applicant") support of its Application in the captioned matter and states as follows:

1. Applicant is a Limited Liability Company authorized to do business in the State of Kansas. Applicant's address is 5847 San Felipe Suite 3200, Houston, Texas 77057.
2. Applicant has been issued by the Kansas Corporation Commission Operator's License # 35068, which expires on 4/30/2019.
3. Applicant is the owner and operator of the Barnes Estate 26-2 well, API # 15-189-21335 ("the subject well"), which is in the Northwest quarter of the Southeast quarter of Section 31 South, Range 35 West, Stevens County, Kansas. The subject well is located on an active oil and gas lease or unit comprising the following lands:

Township 31 South, Range 35 West
Section 22, S/2 N/2 SE/4 SW/4
Section 26, SW/4, W/2 SE/4, S/2 NW/4, NW/4 NW/4
Section 27, All
Section 34, NW/4 NE/4, E/2 NE/4
Section 35, NW/4, SW/4, W/2 SE/4, W/2 NE/4

4. Pursuant to K.A.R. 82-3-111, the well was shut in, or Previous Applicant obtained temporary abandonment status, for the subject well on April 1st, 2004. The subject well has maintained such status from April 1st, 2004, to the present date.

5. On or about October 9th 2018, the Kansas Corporation Commission notified applicant temporary abandonment status for the subject well would be denied from and after November 6th, because subject well had been temporarily abandoned for more than ten (10) years.

6. K.A.R. 82-3-111 imposes a 10-year limitation on the amount of time during which wells may be temporarily abandoned, but an exception to the 10-year limitation may be obtained pursuant to said regulation through an Application filed with the Commission pursuant to K.A.R. 82-3-100. Applicant seeks such an exception.

7. On 7/6/2015 the subject well passed a Commission Staff-witnessed mechanical integrity test of the casing between the surface and a point within fifty (50) feet above the uppermost perforation or open hole in the well.

8. Applicant wishes to continue TA status for the subject well, because Applicant intends to use the well for future water disposal once more wells are re-activated. As we just recently took over operations, we have 1 active producer but are in the process of re-activating 3 other producers and will require this well for water disposal from these wells.

9. Applicant submits the following information regarding the well in support of the Application.

- a. There are 14 producers, 7 injectors, 1 water supply well and 1 disposal well.
- b. Plugging costs are estimated to be \$30,000 for the well
- c. Current unit production rate is 60 BOPD, 3 BWPD, 0 MCFD
- d. Remaining reserves from this unit are estimated at 218.8 MBO assuming an 8% decline rate $[60 \text{ BOPD} - 10 \text{ BOPD} * 4377 = 218.8]$
- e. Currently, the produced water cannot be piped to location due to poor condition of the lines upon acquisition of this property and there are no tanks on location. The use of this well for current water production disposal is currently uneconomic for a water production rate of 3 BOPD. However, once more wells are producing and our daily water rate is increased, the work will be done to repair piping and make this well operational. Future water production rate with 4 active wells is estimated at 82 BWPD based upon previous production numbers before the wells were shut-in. Plans to re-activate following wells in the unit:
(CSMU 503, CSMU 504, CSMU 1101)
- f. The cost of doing the absolute minimum to make this well active is \$18,000 and is uneconomic with current water production rates.

10. Applicant has included a plat map showing the locations of all producing, injection, temporarily abandoned, abandoned, and plugged wells located on the same leased premises as the subject well.

11. Based on the foregoing, Applicant requests the Commission grant an exception to the 10-year limitation, specifically to allow the subject well to remain eligible for temporary abandonment status for three (3) years following the expiration of the 10-year limitation. Applicant understands that the exception would be valid for three (3) years, but Applicant would still need to apply annually to the Conservation Division District Office for approval of an application for temporary abandonment status.

12. Listed in the attached Exhibit "A" are the names and addresses of the following persons:

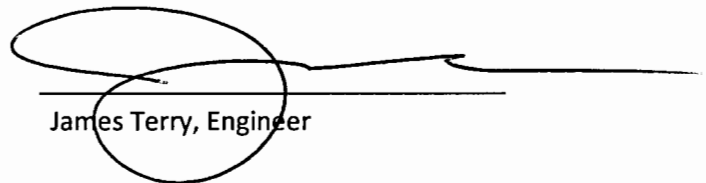
- A. Each operator of each oil and gas lease covering lands within one-half (1/2) mile radius of the subject well; and
- B. Each person who owns any mineral interest of record in and under any lands located within one-half (1/2) mile radius of subject well (provided that such mineral interest is not covered by any oil and gas lease).

13. Notice of this Application will be published pursuant to K.A.R. 82-3-135a. In addition, notice of the hearing to be held in this matter will be provided as prescribed by K.A.R. 82-3-135.

WHEREFORE, Applicant prays that this matter be granted administratively without a hearing, or in the alternative be set for hearing, and upon hearing that the Commission grant Applicant's request, for an exception to the K.A.R. 82-3-111 ten (10) year limitation, to allow the subject well to remain temporarily abandoned for three (3) years, subject to annual approval by the Conservation Division District Office of an application for temporary abandonment status.

Respectfully Submitted,

P.O.&G Operating, LLC
5847 San Felipe, Suite 3200
Houston, Texas 77057
Phone # (713)-244-0779
Fax # (713)-244-0650

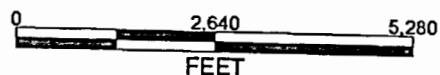


James Terry, Engineer

PO&G RESOURCES

Cutter South Mississippi Unit

Stevens County, KS



- WELL SYMBOLS**
- PRODUCER
 - SHUT IN PRODUCER
 - ☼ GAS WELL
 - ⊙ P&A'd PRODUCER
 - UNIT WELL
 - △ SI WATER SUPPLY WELL
 - ⊙ SI GAS WELL
 - DRY HOLE
 - ⊙ P&A'd PRODUCER
 - ▽ SHUT-IN INJECTOR
 - SHUT-IN PRODUCER
 - Lease Well
 - ⊙ DRILLING_WELL
 - ⊙ SUM OF PRIMARY
 - ⊙ SUM OF SECONDARY
 - Location
 - ⊙ Abandoned Location

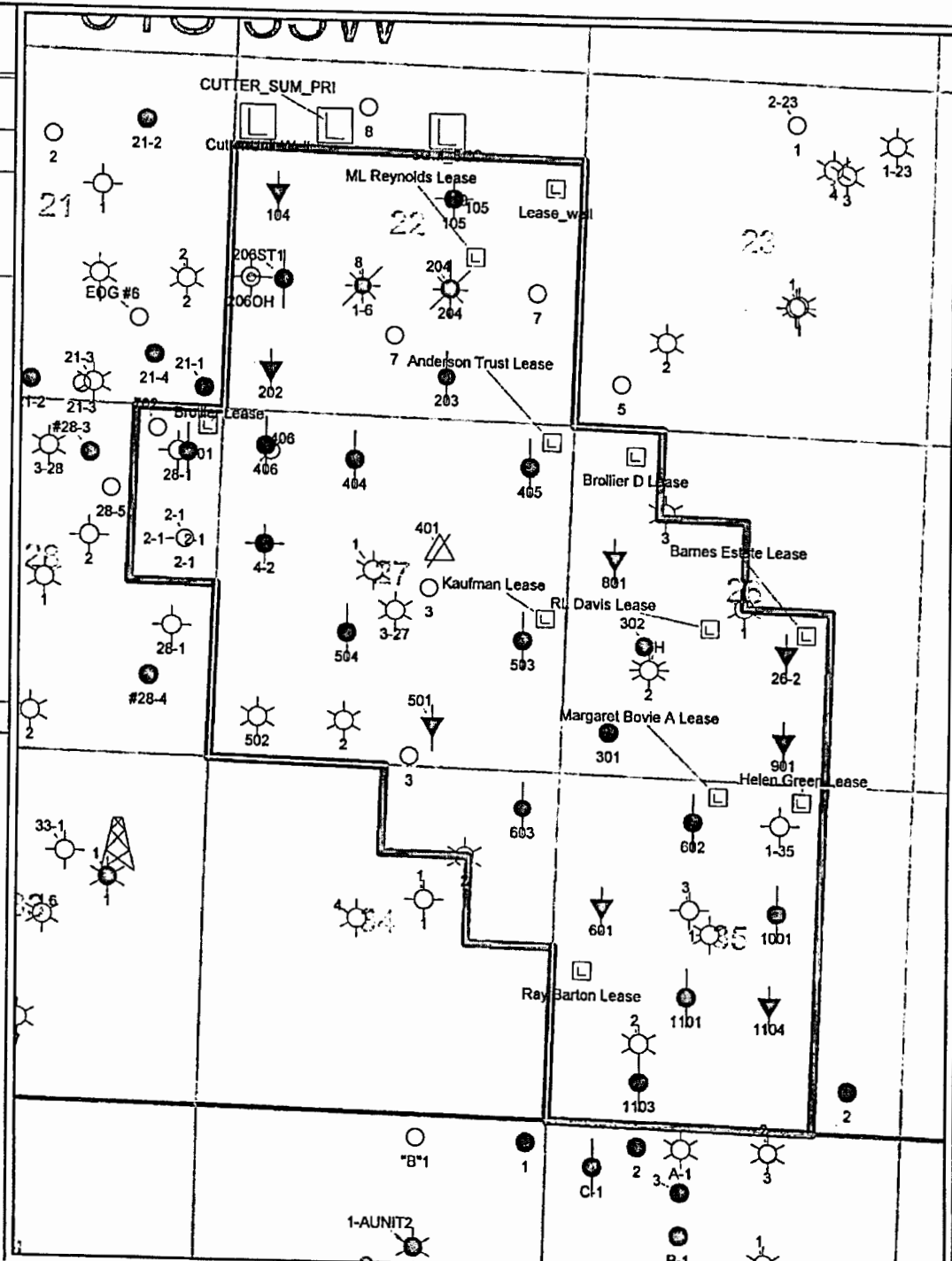


Exhibit A

Barnes Estate #26-2
W/2 SE/4 Section 26-31S-35W
Stevens County, Kansas

Surface Owner- Marcus and Stacey Howe
2373 Road 27
Moscow, KS 67952

Unleased Mineral Owners-

Thomas L. Lahey and Patricia A. Lahey, Trustees of
The Thomas L. Lahey Living Trust dated October 4, 2003
2711 Road Z
Moscow, KS 67952

Patricia A. Lahey and Thomas L. Lahey, Trustees of
The Patricia A. Lahey Living Trust dated October 4, 2003
2711 Road Z
Moscow, KS 67952

Angela Jean Lahey, First Successor Trustee of
The David Thane Lahey Living Trust dated January 27, 2004
Rt. 1, Box 11
Moscow, KS 67952

Angela Jean Lahey, Trustee of the Restatement of
Angela Jean Lahey Living Trust dated January 27, 2004
Rt. 1, Box 11
Moscow, KS 67952

Vance A. Lahey Estate
c/o June R. Lahey
24341 Road B
Moscow, KS 67952

June R. Lahey, Trustee of the Vance A. Lahey Testamentary Trust
FBO June R. Lahey
24341 Road B
Moscow, KS 67952

Laura Jene Spurgin
6524 NW 94th Court
Johnston, IA 50131

Cynthia Meives
2665 N. Locust Grove Church Road
Columbia, MO 65202

Charles Phillip Caselman
P. O. Box 318
Hallsville, MO 65255

Robert Earl Caselman
c/o Michael Alan Caselman
6084 Blue Ridge Drive, Apt. E
Highlands Ranch, CO 80130

Charles T. Storfa and Susan F. Storfa
1371 Whitefish Stage
Kalispell, MT 59901

Robert L. Featherstone
12675 N. 73rd Ave.
Peoria, AZ 85381

Offset Operators- NONE